

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 98

Introduced By: Flood, 19;
Read first time: January 5, 2007
Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 77-5601, Revised Statutes Cumulative Supplement, 2006; to
3 eliminate references to a fund that terminated July 1, 2006;
4 and to repeal the original section.
5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-5601 Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

3 77-5601. (1) From August 1, 2004, through October 31, 2004,
4 there shall be conducted a tax amnesty program with regard to taxes
5 due and owing that have not been reported to the Department of
6 Revenue. Any person applying for tax amnesty shall pay all unreported
7 taxes that were due on or before April 1, 2004. Any person that
8 applies for tax amnesty and is accepted by the Tax Commissioner shall
9 have any penalties and interest waived on unreported and delinquent
10 taxes notwithstanding any other provisions of law to the contrary.

11 (2) To be eligible for the tax amnesty provided by this
12 section, the person shall apply for amnesty within the amnesty period,
13 file a return for each taxable period for which the amnesty is
14 requested by December 31, 2004, if no return has been filed, and pay
15 in full all taxes for which amnesty is sought with the return or
16 within thirty days after the application if a return was filed prior
17 to the amnesty period. Tax amnesty shall not be available for any
18 person that is under civil or criminal audit, investigation, or
19 prosecution for unreported or delinquent taxes by this state or the
20 United States Government on or before April 16, 2004.

21 (3) The department shall not seek civil or criminal
22 prosecution against any person for any taxable period for which
23 amnesty has been granted. The Tax Commissioner shall develop forms for
24 applying for the tax amnesty program, develop procedures for
25 qualification for tax amnesty, and conduct a public awareness campaign
26 publicizing the program.

27 (4) If a person elects to participate in the amnesty

1 program, the election shall constitute an express and irrevocable
2 relinquishment of all administrative and judicial rights to challenge
3 the imposition of the tax or its amount. Nothing in this section shall
4 prohibit the department from adjusting a return as a result of any
5 state or federal audit.

6 (5)(a) Except for any local option sales tax collected and
7 returned to the appropriate municipality and any motor vehicle fuel,
8 diesel fuel, and compressed fuel taxes, which shall be deposited in
9 the Highway Trust Fund or Highway Allocation Fund as provided by law,
10 no less than ~~eighty~~ ninety percent of all revenue received after
11 July 1, 2006, pursuant to the tax amnesty program shall be deposited
12 in the General Fund; and ten percent, not to exceed five hundred
13 thousand dollars, shall be deposited in the Department of Revenue
14 Enforcement Fund. ~~; and ten percent, not to exceed five hundred~~
15 ~~thousand dollars, shall be deposited in the Department of Revenue~~
16 ~~Enforcement Technology Fund.~~ Any amount that would otherwise be
17 deposited in the Department of Revenue Enforcement Fund ~~or the~~
18 ~~Department of Revenue Enforcement Technology Fund~~ that is in excess
19 of the five-hundred-thousand-dollar limitation shall be deposited in
20 the General Fund.

21 (b) For fiscal year 2005-06, all proceeds in the Department
22 of Revenue Enforcement Fund shall be appropriated to the department
23 for purposes of employing investigators, agents, and auditors and
24 otherwise increasing personnel for enforcement of the Nebraska Revenue
25 Act of 1967. ~~For fiscal year 2005-06, all proceeds in the Department~~
26 ~~of Revenue Enforcement Technology Fund shall be appropriated to the~~
27 ~~department for the purposes of acquiring lists, software,~~

1 ~~programming, computer equipment, and other technological methods for~~
2 ~~enforcing the act.~~

3 (c) For fiscal years after fiscal year 2005-06, twenty
4 percent of all proceeds received during the previous calendar year due
5 to the efforts of auditors and investigators hired pursuant to
6 subdivision (5)(b) of this section, not to exceed seven hundred fifty
7 thousand dollars, shall be deposited in the Department of Revenue
8 Enforcement Fund for purposes of employing investigators and auditors
9 or continuing such employment for purposes of increasing enforcement
10 of the act.

11 (6)(a) The department shall prepare a report by April 1,
12 2005, and by February 1 of each year thereafter detailing the results
13 of the tax amnesty program and the subsequent enforcement efforts. For
14 the report due April 1, 2005, the report shall include (i) the amount
15 of revenue obtained as a result of the tax amnesty program broken down
16 by tax program, (ii) the amount obtained from instate taxpayers and
17 from out-of-state taxpayers, and (iii) the amount obtained from
18 individual taxpayers and from business enterprises.

19 (b) For reports due in subsequent years, the report shall
20 include (i) the number of personnel hired for purposes of subdivision
21 (5)(b) of this section and their duties, (ii) a description of lists,
22 software, programming, computer equipment, and other technological
23 methods acquired pursuant to such subdivision and the purposes of
24 each, and (iii) the amount of new revenue obtained as a result of the
25 new personnel and acquisitions during the prior calendar year, broken
26 down into the same categories as described in subdivision (6)(a) of
27 this section.

1 (7) The Department of Revenue Enforcement Fund ~~and the~~
2 ~~Department of Revenue Enforcement Technology Fund~~ are is created.
3 Any money in the ~~funds~~ fund available for investment shall be
4 invested by the state investment officer pursuant to the Nebraska
5 Capital Expansion Act and the Nebraska State Funds Investment Act.
6 ~~The Department of Revenue Enforcement Technology Fund shall terminate~~
7 ~~on July 1, 2006. Any unobligated money in the fund at that time shall~~
8 ~~be deposited in the General Fund.~~

9 (8) For purposes of this section, taxes mean any taxes
10 collected by the department, including, but not limited to state and
11 local sales and use taxes, individual and corporate income taxes,
12 financial institutions deposit taxes, motor vehicle fuel, diesel fuel,
13 and compressed fuel taxes, cigarette taxes, transfer taxes, and
14 charitable gaming taxes.

15 Sec. 2. Original section 77-5601, Revised Statutes
16 Cumulative Supplement, 2006, is repealed.